

§ 346.2

(see Table of Redemption Values in the appendix).

(2) Bonds with issue dates of August 1, 1979, through October 1, 1980—6.5 percent per annum, compounded semiannually (see Table A in the appendix).

(3) Bonds with issue dates of November 1, 1980, through September 1, 1981—8 percent per annum, compounded semiannually (see Table B).

(4) Bonds with issue dates of October 1, 1981, or thereafter—9 percent per annum, compounded semiannually (see Table C).

Interest will be paid only upon redemption of the bonds. The accrual of interest will continue until the bonds are redeemed or have reached maturity, whichever is earlier, in accordance with these regulations.

(b) *Term.* The maturity date of any bond issued under this circular shall be the first day of the month in which the registered owner thereof has attained the age of 70½ years, or five years after the date of his death, but no later than the first day of the month in which he would have attained the age of 70½ years, if he had lived. Unless sooner redeemed in accordance with these regulations, the investment yield on a bond will cease on the interest accrual date coinciding with, or, where no such coincidence occurs, the interest accrual date next preceding:

(1) The first day of the seventh (7th) month following the 70th anniversary of the birth of the person in whose name it is registered, or

(2) The first day of the sixtieth (60th) month following the date of death of the person in whose name it is registered, except that such date shall be no later than the date on which he would have attained the age of 70½ years, had he lived.

(c) *Denominations—issue date.* Individual Retirement Bonds will be available only in registered form and in denominations of \$50, \$75, \$100 and \$500. At the time of issue, the issuing agent will enter in the upper right-hand portion of the bond the *issue date* (which shall be the first day of the month and year in which payment of the purchase price is received by an authorized issuing agent), and will imprint the agent's validating stamp in the lower right-hand portion. The issue date, as

31 CFR Ch. II (7–1–02 Edition)

distinguished from the date in the agent's validating stamp, will determine the date from which interest will begin to accrue on the bond. An Individual Retirement Bond shall be valid only if an authorized issuing agent receives payment therefor, duly inscribes, dates, stamps, and delivers it.

[40 FR 4240, Jan. 28, 1975, as amended at 42 FR 37520, July 21, 1977; 46 FR 60577, Dec. 11, 1981]

§ 346.2 Registration.

(a) *General.* The registration of Individual Retirement Bonds is limited to the names of natural persons in their own right, whether adults or minors, in either single ownership or beneficiary form. A bond registered in the beneficiary form will be inscribed substantially as follows (for example): "John A. Doe payable on death to (or P.O.D.) Richard B. Roe." No more than one beneficiary may be designated on a bond.

(b) *Inscription.* The inscription on the face of each bond will show the name, address, date of birth, and the social security account number of the registered owner. The name of the beneficiary, if one is to be designated, together with his social security account number, where available, will also be shown in the inscription.

§ 346.3 Purchase of bonds.

(a) *Agencies.* Individual Retirement Bonds may be purchased over-the-counter or by mail from Federal Reserve Banks and Branches and the Bureau of the Public Debt, Securities Transactions Branch, Washington, DC 20226. Customers of commercial banks and trust companies may be able to arrange for the purchase of the bonds through such institutions, but only the Federal Reserve Banks and Branches, and the Department of the Treasury itself, are authorized to issue the securities. The date of receipt of the application and payment by such issuing agencies will govern the dating of the bonds issued.

(b) *Applications.* Applications for the purchase of Individual Retirement Bonds should be made on Form PD 4345, accompanied by a remittance to cover the purchase price. Personal

checks will be accepted, subject to collection. Checks, or other forms of exchange, should be drawn to the order of the Federal Reserve Bank or the U.S. Treasury, as the case may be. Checks payable by endorsement are not acceptable.

(c) *Delivery.* Delivery of bonds will be made in person, or by mail at the risk and expense of the United States at the address given by the purchaser, but only within the United States, its territories and possessions, the Commonwealth of Puerto Rico, and the Canal Zone. No mail deliveries elsewhere will be made. If the registered owner temporarily resides abroad, the bonds will be delivered to such address in the United States as the purchaser directs.

§ 346.4 Proof of purchase.

At the time an Individual Retirement Bond is issued, the issuing agent will furnish therewith to the purchaser a copy of Form PD 4345 for the purchaser's personal records. The form will show the name and address of the registered owner, his date of birth, social security account number, the number of bonds issued, a description thereof by issue date, serial numbers, denominations, and registration.

§ 346.5 Limitation on holdings.

(a) Except as provided in paragraph (b) of this section, the amount of Individual Retirement Bonds which may be registered in any one individual's name is limited to the amount for which an annual deduction may be taken under either section 219 or 220 of the Internal Revenue Code.¹ These limitations are as follows:

(1) In the case of an individual electing to deduct his or her bond purchase under section 219, the face amount of bonds purchased for tax deduction in any given year may not exceed 15 percent of the individual's earned income for that year or \$1,500, whichever is less.

(2) In the case of an individual electing to deduct his or her bond purchases under section 220, the total face

¹NOTE: Under the Internal Revenue Code, bonds issued during any given year or within 45 days thereafter may be deducted in that year.

amount of bonds purchased for tax deduction in any given year in the name of the individual and in the name of his or her nonworking spouse, may not exceed 15 percent of the working spouse's earned income for that year or \$1,750, whichever is less.²

(b) The above limitations do not apply to rollover bond purchases, as described in sections 402(a)(5), 403(a)(4), or 408(d)(3) of the Internal Revenue Code.

(26 U.S.C. 220 and 31 U.S.C. 757)

[42 FR 37520, July 21, 1977]

§ 346.6 Nontransferability.

United States Individual Retirement Bonds are not transferable, and may not be sold, discounted or pledged as collateral for a loan or as security for the performance of an obligation, or for any other purpose.

§ 346.7 Judicial proceedings.

No judicial determination will be recognized which would give effect to an attempted voluntary transfer inter vivos of an Individual Retirement Bond. Otherwise, a claim against a registered owner will be recognized when established by valid judicial proceedings, but in no case will payment be made to the purchaser at a sale under a levy or to the officer authorized to levy upon the property of the owner under appropriate process to satisfy a money judgment unless or until the bond has become eligible for authorized redemption pursuant to these regulations. Neither the Department of the Treasury nor any of its agencies will accept notices of adverse claims or of pending judicial proceedings or undertake to protect the interests of litigants who do not have possession of the bond.

²NOTE: Code section 220 requires, in effect, that the total IRA contributions in each spouse's name to be deducted in any one year be in equal amounts. While it is permissible for an eligible married couple to utilize several different forms of IRA investments within the same year, this means that couples investing solely in bonds must purchase equal amounts of bonds in each spouse's name.